

BOARD MEETING DATE: May 3, 2013

AGENDA NO. 4

PROPOSAL: Execute Contract for Natural Gas Vehicle Replacements under AB 1318 

SYNOPSIS: In January 2013, the Board approved awards for emission reduction projects in the Coachella Valley as part of the AB 1318 Mitigation Fund Program. As part of the Board action, an award was made to FIND Food Bank, Inc. for the purchase of a diesel-powered truck and a gasoline-powered van to be used for food pick-up and delivery. This action is to augment the FIND Food Bank, Inc. award to cover the purchase of dedicated natural gas-powered vehicles, rather than the proposed diesel or gasoline vehicles, in an amount not to exceed \$140,000 from the interest accrued from the Environmental Justice area allocation in the AB 1318 Mitigation Fees Fund (58).

COMMITTEE: Technology, April 19, 2013, Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a contract with FIND Food Bank, Inc. for the purchase of two dedicated natural gas-powered on-road vehicles in an amount not to exceed \$304,623 consisting of the original award of \$164,623 from program funds, and \$140,000 from the interest accrued from the Environmental Justice area allocation, in the AB 1318 Mitigation Fees Fund (58).

Barry R. Wallerstein, D.Env.
Executive Officer

Background

On January 4, 2013, the Board approved awards for emission reduction projects for the Coachella Valley as part of the AB 1318 Mitigation Fund Program. As part of the Board action, an award was made to FIND Food Bank, Inc. for the purchase of a diesel-powered truck and a gasoline-powered cargo van to be used for food pick-up and delivery. FIND Food Bank, Inc. has expressed an interest in using natural gas-powered vehicles in place of the diesel-powered and gasoline-powered vehicles identified in the funding award.

Proposal

This action is to provide additional funding to FIND Food Bank, Inc., to augment the Board's award in January 2013, for the purchase of two dedicated natural gas-powered vehicles instead of the originally proposed heavy-duty diesel and medium-duty gasoline vehicles. The heavy-duty vehicle is a food refrigeration (reefer) truck, which will be used to transport frozen and refrigerated food products. The reefer truck will be powered with a dedicated CNG-fueled engine; the refrigeration system will be powered by non-combustion sources (e.g., a drive belt or a power-take-off driven generator, a stand-by battery pack system, or with overnight plug-in capability). The second vehicle is a medium-duty cargo van with a CARB-certified gasoline-to-CNG conversion system.

Benefits to the SCAQMD

Staff believes that the heavy-duty CNG-powered reefer truck with the non-diesel-powered refrigeration system will help to expand the demonstration of vehicles not typically configured in alternative fuel and not typically utilized by fleets subject to SCAQMD Fleet Rules and will reduce air toxic exposure to diesel emissions in neighborhoods served by these vehicles.

The AQMP relies upon the accelerated implementation of advanced technologies within Southern California to achieve federal and state ambient air quality standards and to further the reductions in air toxic exposure. The deployment of non-diesel powered heavy-duty vehicles and alternative fuel vehicles will help this region reach attainment with these standards.

Resource Impacts

The total cost for purchasing both vehicles is estimated to be \$304,623. Staff is recommending that the Board approve additional funding not to exceed \$140,000 from the interest accrued from the Environmental Justice area allocation in the AB 1318 Emissions Mitigation Fees Fund (58) to augment the award that was approved on January 4, 2013 to FIND Food Bank, Inc.

Sufficient funds are available from program funds and the interest accrued from the Environmental Justice area allocation in the AB 1318 Mitigation Fees Fund (58). This

special revenue fund is to be used to finance emission reduction projects, pursuant to the requirements of AB 1318 (V.M. Perez), which was codified into law in Health and Safety Code (H&SC 40440.14). The mitigation fees are from the transfer of emission offsets from the SCAQMD's internal offset accounts to CPV Sentinel Energy Project power plant located near Desert Hot Springs, CA.